

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2727 - SB 2715

March 2, 2020

SUMMARY OF ORIGINAL BILL: Requires the Fiscal Review Committee (FRC) to review any non-competitive procurement agreement, including but not limited to, non-competitive grants and contracts. Requires the Chief Procurement Officer (CPO) to provide a monthly report to the Director of the FRC listing: all contracts, grants, or any other non-competitive procurement means that were awarded the previous month; all contracts, grants, or any other competitive procurement means that were in the process of being negotiated in the previous month; and any policy, procedure, or rule change to the state procurement processes planned for the following month.

Requires a person appointed as the CPO to submit a disclosure of conflict of interests to the Ethics Commission. Prohibits the CPO from employment, including independent contracting, with any entity that contracted with the state during the 24-month period following departure from office. Prohibits any public officer or employee involved in administering a contract on behalf of a public agency from employment by the contractor for the 24-month period following departure.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015801): Deletes and rewrites all language after the enacting clause such that the substantive changes are as follows: 1) Establishes that the FRC will review non-competitive procurement agreements to procure non-research-related goods or services from entities that are not governmental entities; 2) Deletes the requirement for the CPO to provide an itemized listing of all contracts, grants, or any other competitive procurement means that were in the process of being negotiated for the previous month in the monthly report to the Director of the FRC; 3) Establishes that a public officer or employee involved in administering a procurement agreement is prohibited from employment by the entity involved in the agreement for the 24-month period following departure and does not include a person administering the agreement solely because of ministerial duties related to the agreement; and 4) Establishes that violation of the provision regarding employment during the 24-month period is a Class A misdemeanor.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 4-56-107(a), all requests for an agency to procure goods or services by a non-competitive contract are required to be filed with the FRC for review.
- The FRC can complete review of any non-competitive procurement agreement, including grants and contracts, to procure non-research-related goods or services from entities that are not government entities, within existing resources.
- The CPO can provide a monthly report of contracts, grants, or procurement agreements awarded in the previous month within existing resources.
- Requiring a person appointed as the CPO to submit a disclosure of conflict of interests will have no significant impact to the procedures of the Ethics Commission.
- There will not be a sufficient number of prosecutions for state or local government to see any significant increase or decrease in revenue or expenditures.
- No significant fiscal impact to state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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